

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 22, 2004

FROM: CAROL L. ANSELM, Assistant County Administrator
Human Services System

SUBJECT: REQUEST FOR TRANSFER APPROPRIATION

RECOMMENDATION:

1. Authorize the Auditor Controller to transfer appropriation of \$143,747 and revenue of \$23,000 from AAB BHI (Foster Care budget) to AAB ATC (Aid to Adoptive Children budget).
2. Authorize the Auditor Controller to increase federal and state revenue in AAB ATC by \$120,747 and decrease federal and state revenue in AAB BHI by \$120,747 as detailed in the Financial Impact section. (Four votes required.)

BACKGROUND INFORMATION: In June 2003, the Board of Supervisors adopted the FY 2003-04 Final County Budget, which included the HSS Aid to Adoptive Children Budget (AAB ATC).

The Adoption Assistance Program is a Federal program, mandated under the Federal Adoption Assistance and Child Welfare Act of 1980, PL 96-272, which requires the county to provide financial assistance to adopting parents who would not otherwise be able to provide for a child's special needs. This program enables hard-to-place children to be taken out of the foster care program and adopted.

Recognizing that adoptive parents often experience financial difficulty meeting the special needs of children who formerly were placed in California's foster care system, the State Legislature created the Adoption Assistance Program (AAP). In creating the program, the Legislature intended the services to benefit children in foster care by providing the security and stability of permanent homes.

Counties determine the eligibility for participation in the program and negotiate a signed adoption assistance agreement with the adoptive parents that stipulates the need for, and the amount of, the benefit. The amount of financial payment is determined based upon the needs of the child and maintaining the circumstances of the family in relation to the lifestyle, standard of living, and future plans and to the overall capacity to meet the needs of the child.

Documentation of actual costs to be incurred because of the child's qualifying condition is not required. Based on the most recent published statewide information, at least 75 percent of adopting families received some level of AAP benefits. An adopted child who receives AAP benefits from California may move anywhere in the world and still receive monthly subsidy payments.

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The growth in this program is attributed to State legislation, which became effective January 1, 2000, that encourages and promotes the adoption of children eligible for the program (AB 390). The legislation requires that the county provide prospective adoptive families with information on the availability of benefits, as well as reimbursement for nonrecurring expenses in the adoption of an eligible child. Additionally, there is no financial means test used to determine an adoptive family's eligibility for the program.

On April 20, 2004, the Board approved item number 27, which transferred appropriation and revenue of \$2.7 million from the HSS Administrative budget (AAA DPA) to the Aid to Adoptive Children (AAA ATI) budget. Due to continued increases in caseload and costs per placement, an additional appropriation transfer is needed to cover the expenditures in this budget.

This program is approximately 84% funded with state and federal revenues, with a 16% local share. The local share is funded with a combination of Social Services Realignment and local cost. HSS will fund the increase in 2003-04 local share (\$23,000) with Social Services Realignment.

Expected savings in the HSS Foster Care budget, due in large part to the success of the Aid to Adoptive Children program in moving children from foster care to adoption, will be sufficient to offset the additional appropriation and Realignment required in this program.

REVIEW BY OTHERS: This agenda item has been reviewed and approved by County Counsel (Andy Hartzell, Chief Deputy County Counsel, 387-5470) HSS Finance (Kris Letterman, Administrative Analyst, 388-0330) on June 8, 2004, and County Administrative Office (Gary Morris, Administrative Analyst, 388-0356) on June 8, 2004.

FINANCIAL IMPACT: No additional local cost is required. All costs associated with this item will be paid from Realignment and State and Federal funds. The Board action does not increase the County General Fund contribution in FY 2003-04. The changes in Appropriation and Revenue requested are as follows:

APPROPRIATIONS

FUND	DEPT	ORG	OBJ CODE	DESC	AMOUNT
Transfer Appropriation from:					
AAB	BHI	BHI	3205	Pub Assist	(\$143,747)
Transfer Appropriation to:					
AAB	ATC	ATC	3205	Pub Assist	\$143,747

REVENUE

FUND	DEPT	ORG	OBJ CODE	DESC	AMOUNT
Transfer Realignment Revenue from:					
AAB	BHI	BHI	8700	Realignment	(\$23,000)
Transfer Realignment Revenue to:					
AAB	ATC	ATC	8700	Realignment	\$23,000

Increase State & Federal Revenue in AAB ATC:

AAB	ATC	ATC	8665	State Aid	\$68,999
AAB	ATC	ATC	9010	Federal Aid	\$51,749
	Total				<u>\$120,747</u>

Decrease State & Federal Revenue in AAB BHI:

AAB	BHI	BHI	8650	State Aid	(\$55,553)
AAB	BHI	BHI	9000	Federal Aid	<u>(\$67,194)</u>
	Total				<u>(\$120,747)</u>

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends this action based on the requirements that San Bernardino County and HSS are required to meet under the Federal Adoption Assistance Program as mandated by the Federal Adoption Assistance and Child Welfare Act of 1980, PL 96-272.

SUPERVISORIAL DISTRICT(S): ALL

PRESENTER: Carol L. Anselmi, Assistant County Administrator, Human Services System
388-0287